

Message Text

SECRET

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ACTION EA-14

INFO OCT-01 ISO-00 EB-11 PM-07 NSC-10 SPC-03 SAM-01 SS-20

RSC-01 CIAE-00 INR-10 NSAE-00 OMB-01 DRC-01 /080 W

----- 036044

R 260345Z FEB 74

FM AMEMBASSY SINGAPORE

TO SECSTATE WASHDC 0149

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AFLC/CC/PP

INFO CSAF/LGPL

CNO/OP-514

CINCPAC

S E C R E T SINGAPORE 867

E.O. 11652: GDS

TAGS: MASS, SN

SUBJ: LOCKHEED-SINGAPORE

REF: A. AFLC/PP 211630Z FEB 74 (NOTAL); B. SINGAPORE 720 (NOTAL); C. SINGAPORE 652 (NOTAL); D. STATE 029388 (NOTAL); E. STATE 028891 (NOTAL)

1. REF A DIRECTED O.L. DET 11 AFCCM SINGAPORE TO COORDINATE WITH ME PRIOR TO DISCUSSING TENTATIVE WORKLOAD PACKAGE WITH LASS MANAGEMENT. PRIOR TO RECEIPT OF REF A, EMBASSY HAD RECOMMENDED IN REF C AND STATE AGREED (REF D) THAT WE SHOULD NOT AT THIS TIME INFORM EITHER LOCKHEED OR GOS OF DECISION CONTINUE DIRECTED PROCUREMENT FOR ANOTHER YEAR. OTHERWISE, LOCKHEED WOULD PROBABLY MOUNT CAMPAIGN TO MAXIMIZE LEVEL OF DIRECTED PROCUREMENT. IN LIGHT OF THIS DECISION AND SINCE DET 11 IS FULLY FAMILIAR WITH LOCKHEED SITUATION AT BOTH PLANTS AND HAS PROVIDED ME WITH FULL KNOWLEDGE OF THEIR CAPABILITIES AND DEFICIENCIES, I HAVE DIRECTED OFFICER-IN-CHARGE OF DET 11 NOT RPT NOT TO DISCUSS TENTATIVE WORKLOAD PACKAGE WITH LASS MANAGEMENT UNTIL FINAL DECISION REACHED IN WASHINGTON ON NUMBER OF HOURS OF
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DIRECTED PROCUREMENT.

2. REF E REQUESTED EMBASSY'S JUDGEMENT RE MINIMUM VIABLE WORKLOAD IN LIGHT OF DECISION TO CONTINUE DIRECTED PROCUREMENT TO LOCKHEED FACILITY IN SINGAPORE IN AMOUNT SUFFICIENT TO PREVENT CLOSING OF EITHER LOCKHEED PLANT IN SINGAPORE. AFTER CONSULTING WITH DET 11 OFFICE HERE, EMBASSY RECOMMENDED DIRECTED PROCUREMENT FOR FY-75 NOT TO EXCEED 200,000 MAN-HOURS (REF B). REF B MADE IT CLEAR THAT BASED ON EXPERIENCE IN FY-74 DIRECTED PROCUREMENT WOULD NOT EXCEED 2000,000 MAN-HOURS IF WE WISHED TO AVOID SERIOUS DELAYS AND WORK DEFICIENCIES WHICH OCCURED IN FY-74.

3. LONG-STANDING LOCKHEED POSITION IS THAT IT CAN ABSORB 500-6000,000 MAN-HOURS OF DIRECTED PROCUREMENT. HOWEVER, IT HAS BEEN CONSISTENT VIEW OF BOTH DET 11 EXPERTS ON SCENE AND US AIR FORCE/ARMT/NAVY INSPECTORS FROM HIGHER COMMANDS WHO HAVE TALKED WITH ME AFTER VISITING LOCKHEED FACILITIES HERE THAT LOCKHEED'S PERFORMANCE HAS BEEN SUBSTANDARD LARGELY BECAUSE OF EXCESSIVE VOLUME OF WORK AND SHORTAGE SKILLED EMPLOYEES.

4. REF A DIRECTS DET 11 AND OTHER COMMANDS TO "TENTATIVELY PLAN FOR LASS TO ACCOMPLISH THE FY-75 VNAF C-130 PROGRAM IN ITS ENTIRETY" AS WELL AS TO CARRY OUT US NAVY C-130 PAR PROGRAM FOR FIVE AIRCRAFT PLUS FY-74 CARRYOVER. (PACAF C-130 CORROSION CONTROL PROGRAM WOULD APPARENTLY BE ACCOMPLISHED ELSEWHERE.) FURTHERMORE, REF A DIRECTS AIR FORCE PROCUREMENT AGENCY (WRAMA/PP) TO INITIATE SOLE SOURCE PROCUREMENT WITH LASS FOR THE FY-75 VNAF C-130 PROGRAM. ACCORDING DET 11, "TENTATIVE PLAN" WOULD INVOLVE OVER 500,000 MAN-HOURS OF DIRECTED PROCUREMENT.

5. COMMENT: DECISION TO CONTINUE DIRECTED PROCUREMENT FOR ONE MORE YEAR MAKES SENSE ONLY IF PROCUREMENT IS AT LEVEL WHICH LOCKHEED CAN ABSORB. AS REF B STATED, WE RECOGNIZE DEVELOPMET OF WORKLOAD PACKAGE TO FIT WITHIN RECOMMENDED 200,000 MAN-HOUR LIMIT MAY BE DIFFICULT FOR MILITARY SERVICES TO PROVIDE. HOWEVER,

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GIVEN INCREASING VOLUME OF COMPLAINTS WHICH HAVE REACHED ME FROM VARIETY OF US MILITARY SOURCES CONCERNING DEFICIENT LASS PERFORMANCE, IT WOULD SEEM UTTER FOLLY TO DIRECT ONCE AGAIN MORE PROCUREMENT THAN LOCKHEED CAN HANDLE. MEANWHILE, I DO NOT THINK WE SHOULD INITIATE ANY PROCUREMENT DECISIONS RELATING TO LASS FOR FY-75 UNTIL FINAL DECISION REACHED BY WASHINGTON AGENCIES ON LEVEL OF MAN-HOURS TAKING ACCOUNT JUDGMENT THIS EMBASSY AND SERVICES

ON LOCKHEED PERFORMANCE POTENTIAL. CRONK

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